



ANNUAL REPORT 1964



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EDWARD H. SCHROEDER, *Asst. Treasurer*  
ALFRED T. BULL, *Asst. Secretary*  
WARREN R. HOLLOWAY, *Asst. Controller*

**Transfer Agent**

CORPORATION TRUST COMPANY, NEW YORK

**Registrar**

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

**Auditors**

LYBRAND, ROSS BROS. & MONTGOMERY

J. J. Newberry Co., 245 Fifth Avenue, New York, N. Y. 10016

## ANNUAL REPORT • 1964

# Newberrys



### TABLE OF CONTENTS

|  |    |
|--|----|
| Letter to Shareholders . . . . .   | 2  |
| Record of 1964 Store Expansion . . . . .                                 | 4  |
| Consolidated Statements of Operations<br>and Retained Earnings . . . . . | 5  |
| Consolidated Balance Sheets . . . . .                                    | 6  |
| Notes to Financial Statements . . . . .                                  | 8  |
| Auditors' Report . . . . .   | 9  |
| Map of Store Locations . . . . .   | 10 |
| Ten Year Summary Highlights Record . . . . .                             | 12 |

*The annual meeting of common stockholders  
will be held at the office of the corporation,  
245 Fifth Avenue, New York, at 11 A.M. on  
Tuesday, May 11, 1965.*



## TO OUR SHAREHOLDERS:

In 1964 our Company returned to a profitable operation.

The net profit for the year was \$2,353,049 (including a special credit of \$338,000) against a loss sustained in 1963 of \$4,776,050 (including a special charge of \$2,220,000).

While the actual dollar net profit as related to our sales volume is still too low, we do believe there is a clear indication that we are moving forward in the proper direction in our efforts to produce a satisfactory profit not only on our sales volume, but also as related to the total investment in the Company.

Our inventories at the end of 1964 once again showed a considerable reduction. Total merchandise inventories at the end of 1964 were approximately \$6,000,000 less than at the end of 1963. During the year 1964 we opened nine new stores which required an inventory investment of approximately \$3,000,000 so that on a comparative store basis our inventories were actually reduced approximately \$9,000,000.

The inventory reduction is the result of our continuing efforts to keep our stores stocked with only fresh, clean merchandise and to reduce the number of items being carried so that more concentration is placed on carrying stocks of only the best selling items.

Our overall program along these lines is geared to the basic need for further improving our rate of merchandise turnover. This will have an important bearing in producing a satisfactory profit return on the capital investment in our Company.

During the year 1964 considerable emphasis was placed on our expense reduction programs. Although substantial progress was made in this area, we expect in 1965 not only to continue the savings produced in 1964, but to effect even further savings in expenses.

We are confident that a much greater volume of sales can be generated from the over ten million square feet of selling space operated by our Company. In 1965 we have inaugurated programs placing heavy emphasis on obtaining a much larger volume of sales at a profit.

One of the important facets of this program is the reorganization and strengthening of our merchandising division which controls the purchasing and the ultimate sale of merchandise in our stores.

While the majority of our stores offer for sale women's and children's fashions, we have never enjoyed the volume of sales in this area of merchandise that our stores should be able to produce. Considerable work is being done in the improvement of the merchandising of these lines and we are sure that this area of the business will show a constant, steady improvement.

We have made considerable improvement in our warehousing operations and this is an important factor in our efforts to obtain a higher rate of merchandise turnover and larger sales volume.

Our entry into the larger department store field some years back has presented many problems. However, we are happy to report that our sixty Newberry department stores have shown a marked improvement and stores which were formerly operating at a loss are now profitable.

The majority of our Britts department stores are operating on a profitable basis although we still have a limited number of Britts stores that have not as yet reached this point. We believe that in most cases, over a period of time, we will be able to produce a profit in these stores.

Our Variety and Junior department stores still continue to be an important source of profit for us. Also, our food operations continue on a very profitable basis. We now serve food in 384 locations with the operations ranging from small lunch counters to large size cafeterias and grill rooms.

In 1965 we have only three new stores to open, these being locations on which commitments were made a number of years ago.

In the meantime, we have started on an extensive program of refurbishing and improving our existing profitable units. Due to a constant pattern of expansion in the new store area for quite a few years, it was not possible to spend time and money in connection with modernizing and improving units which had been in operation. We believe that certain limited sums of money spent for this purpose will not only enable these stores to better meet competition, but even more important — produce additional profits.

The money to be spent in connection with this refurbishing and improvement program will be obtained from currently available funds. There is no intention or need to assume any additional debt. The reduction in our inventory investment over the past two years has made certain funds available to us and, as you will note by the Company's balance sheet, we are able to report a current ratio of 4.2 at the end of 1964 as compared with 2.7 at the end of 1963. Net working capital increased from \$59,066,558 at the close of 1963 to \$64,978,351 at the close of 1964.

During 1964 we opened nine new stores, as outlined on Page 4 of this report, and we closed eight smaller stores, basically at the expiration of the leases. Consequently, the total number of stores in operation at the end of 1964 was 575 as compared with 574 at the end of 1963.

Also, during 1964 we converted two stores to a fast-turnover, mass-merchandising discount operation. These stores are operated under the trade name of "New-Way." This is an experimental operation and the initial results are gratifying. It is likely that additional units may be converted to this type of operation in the near future — one additional unit was so converted in February, 1965.

We believe we have initiated the necessary programs for 1965 in the areas of higher sales volume, effective expense control, effective inventory control, higher merchandise turnover, and overall strengthening of personnel to enable us to produce an improved profit for the year.



*President*

March 25, 1965



## RECORD OF 1964 STORE EXPANSION, ENLARGEMENT AND MAJOR REMODELING PROGRAM

---

### New Newberry Stores (2)

Sunhill Shpg. Ctr.  
Sunland, Calif.  
Town & Country Shpg. Ctr.  
Minot, N. D.

### New Hested Stores (2)

Teller Arms Shpg. Ctr.  
Grand Junction, Colo.  
Greeley, Colo.

### Major Remodeling and Enlargements (4)

San Francisco, Calif.  
San Pedro, Calif.  
Sidney, Nebr.  
Grand Island, Nebr.

### New Britts Stores (5)

Millbrae Square Shpg. Ctr.  
Millbrae, Calif.  
Northgate Shpg. Ctr.  
Revere, Mass.  
Kingston Plaza  
Kingston, N. Y.  
Loyal Plaza Shpg. Ctr.  
Williamsport, Pa.  
East Camelback Mall  
Phoenix, Ariz.

### New-Way Stores(2)\*

Frederick, Md.  
Lancaster, Ohio

*\*Former Newberry Stores  
Converted to  
New-Way Stores.*



*Front of our new Minot, North Dakota store, opened in early 1964. This is a shopping center store which opens into a closed covered mall.*



*Ladies sportswear section of our new Newberry store located in Minot, North Dakota.*

# Consolidated Statements of Operations and Retained Earnings

For the years ended December 31, 1964 and 1963

|   | 1964          | 1963          |
|---|---------------|---------------|
| Net sales . . . . .   | \$333,734,458 | \$319,344,317 |
| Costs of merchandise sold, including occupancy and buying costs . . . . .   | 239,636,360   | 231,063,056   |
|   | 94,098,098    | 88,281,261    |
| Selling and general expenses . . . . .  | 88,526,383    | 89,269,911    |
| Operating income (loss) . . . . .   | 5,571,715     | (988,650)     |
| Interest expense . . . . .  | 2,677,666     | 2,867,400     |
| Income (loss) before provision for deferred federal income taxes and estimated federal income taxes refundable . . . . .          | 2,894,049     | (3,856,050)   |
| Provision for deferred federal income taxes (note 5) . . . . .  | 879,000       | —             |
| Estimated federal income taxes refundable . . . . .   | —             | 1,300,000     |
| Net income (loss) for year . . . . .  | 2,015,049     | (2,556,050)   |
| Special items:  |               |               |
| Carry-forward tax loss benefit applicable to special charges of prior year (note 5) . . . . .                                     | 338,000       | —             |
| Special charges, net, of a nonrecurring nature, less \$1,300,000 of applicable federal income taxes refundable (note 3) . . . . . | —             | (2,220,000)   |
| Net income (loss) and special items . . . . .   | 2,353,049     | (4,776,050)   |
| Retained earnings, beginning of year . . . . .  | 51,233,951    | 56,848,218    |
|   | 53,587,000    | 52,072,168    |
| Cash dividends:   |               |               |
| On preferred stock, \$3.75 per share . . . . .  | 375,008       | 375,008       |
| On common stock, \$.25 per share in 1963 . . . . .  | —             | 463,209       |
|   | 375,008       | 838,217       |
| Retained earnings, end of year (note 1) . . . . .   | \$ 53,211,992 | \$ 51,233,951 |

Depreciation and amortization of improvements to leased premises have been charged against income in the amounts of \$3,815,144 and \$3,699,104 for the years ended December 31, 1964 and 1963, respectively.

The accompanying notes are an integral part of the financial statements.

# Consolidated Balance Sheets

December 31, 1964 and 1963

| ASSETS:  | 1964                 | 1963                 |
|--|----------------------|----------------------|
| <b>CURRENT ASSETS:</b>   |                      |                      |
| Cash . . . . .   | \$ 9,226,011         | \$ 9,196,716         |
| U. S. Government securities, at cost (approximately market) . . . . .                                | 498,265              | —                    |
| Accounts receivable:   |                      |                      |
| Customers, including equity of \$894,010 in accounts sold . . . . .                                  | 4,632,604            | 5,190,071            |
| Other . . . . .  | 1,013,806            | 1,262,632            |
|  | <u>5,646,410</u>     | <u>6,452,703</u>     |
| Less, Allowance for doubtful accounts . . . . .  | 750,000              | 750,000              |
|  | <u>4,896,410</u>     | <u>5,702,703</u>     |
| Federal income taxes refundable . . . . .  | —                    | 2,600,000            |
| Merchandise on hand and in transit, at lower of cost (principally retail method) or market . . . . . | 68,309,799           | 74,479,985           |
| Prepaid expenses . . . . .   | 2,518,886            | 2,447,330            |
| TOTAL CURRENT ASSETS . . . . .   | <u>85,449,371</u>    | <u>94,426,734</u>    |
| <b>PROPERTY AND EQUIPMENT, AT COST:</b>  |                      |                      |
| Land . . . . .   | 3,658,176            | 3,678,210            |
| Buildings and improvements . . . . .   | 5,098,014            | 5,077,664            |
| Fixtures and equipment . . . . .   | 39,906,565           | 43,552,743           |
| Improvements to leased premises . . . . .  | 26,038,883           | 26,438,294           |
|  | <u>74,701,638</u>    | <u>78,746,911</u>    |
| Less, Allowance for depreciation and amortization . . . . .  | 31,892,409           | 31,916,722           |
|  | <u>42,809,229</u>    | <u>46,830,189</u>    |
| DEFERRED CHARGES AND OTHER ASSETS . . . . .  | 2,519,588            | 1,974,203            |
|  | <u>\$130,778,188</u> | <u>\$143,231,126</u> |

The accompanying notes are an integral part of the financial statements.



J. J. Newberry Co. and Subsidiaries

| LIABILITIES:  | 1964                 | 1963                 |
|---|----------------------|----------------------|
| CURRENT LIABILITIES:  |                      |                      |
| Bank loans and commercial paper . . . . .   | \$ —                 | \$ 12,600,000        |
| Accounts payable and accrued liabilities . . . . .  | 19,333,169           | 21,661,948           |
| Current instalments on long-term debt (note 1) . . . . .  | 1,137,851            | 1,098,228            |
| TOTAL CURRENT LIABILITIES . . . . .   | 20,471,020           | 35,360,176           |
| LONG-TERM DEBT (note 1) . . . . .   | 29,228,462           | 30,366,338           |
| RESERVES AND OTHER LONG-TERM LIABILITIES . . . . .  | 1,155,627            | 861,290              |
| DEFERRED FEDERAL INCOME TAXES . . . . .   | 4,982,000            | 3,938,000            |
| STOCKHOLDERS' EQUITY:   |                      |                      |
| CAPITAL STOCK (notes 1 and 2):  |                      |                      |
| Cumulative preferred stock, par value \$100 per share;<br>authorized, 125,000 shares, issuable in series; issued<br>and outstanding, 100,000 shares, 3¾ % series (re-<br>deemable at \$101.50 per share, plus accrued divi-<br>dends) . . . . . | 10,000,000           | 10,000,000           |
| Common stock, no par value;<br>authorized, 2,500,000 shares:  |                      |                      |
| Issued, 1,933,766 shares . . . . .  | 11,842,224           | 11,579,209           |
| Subscribed and unissued, 10,576 shares . . . . .  | 188,353              | 194,518              |
| RETAINED EARNINGS (note 1) . . . . .  | 53,211,992           | 51,233,951           |
|   | 75,242,569           | 73,007,678           |
| Less, 59,183 shares of common stock held in treasury,<br>at cost . . . . .  | 301,490              | 302,356              |
|   | 74,941,079           | 72,705,322           |
|   | <u>\$130,778,188</u> | <u>\$143,231,126</u> |

The accompanying notes are an integral part of the financial statements.



## Notes to Financial Statements

### 1. At December 31, 1964, long-term debt comprised:

|   | Current            | Noncurrent          | Total               |
|---|--------------------|---------------------|---------------------|
| Mortgages payable .....                                 | \$ 64,416          | \$ 1,021,346        | \$ 1,085,762        |
| 2.90% Sinking Fund Notes, payable in 1968 .....         | 550,000            | 4,600,000           | 5,150,000           |
| 3¾% Sinking Fund Notes, payable in 1976 .....           | 500,000            | 7,500,000           | 8,000,000           |
| 3½% Notes, payable from 1965 to 1975 .....              | 23,435             | 607,116             | 630,551             |
| 5¼% Subordinated Notes, payable from 1967 to 1981 ..... | —                  | 15,500,000          | 15,500,000          |
|   | <u>\$1,137,851</u> | <u>\$29,228,462</u> | <u>\$30,366,313</u> |

The mortgages bear interest at various rates from 3¾ % to 5¼ % and are payable from 1965 to 1976.

Sinking fund note indentures provide for annual sinking fund payments as follows: 2.90% notes, \$550,000 through 1967; 3¾ % notes, \$500,000 through 1975. The Company has the option of making certain additional sinking fund payments annually, without premium.

Certain prepayment privileges are available to the Company with respect to the long-term notes payable which provide for declining premium payments.

The note and supplemental agreements contain certain covenants restricting the amount of retained earnings available for the payment of cash dividends or for the acquisition of the Company's capital stock. At December 31, 1964, approximately \$765,000 of retained earnings is free of such restrictions.

2. During 1964, under the Company's 1956 Employees' Stock Option Plan, 14,396 shares were issued at an overall average price of \$18.04 per share, representing per share prices equivalent to 85% of the fair market value of the stock at dates employees elected to exercise their options. At December 31, 1964, 66,914 shares are available for future grant.

At December 31, 1964, 5,963 shares of the Company's common stock are reserved for future issuance under the Incentive Stock Bonus Plan. During 1964, 170 shares of common stock were issued to eligible participants.

In May, 1964, the stockholders approved the adoption of a Restricted Stock Option Plan for Key Employees whereby 100,000 shares of the Company's common stock were reserved for future issuance at a price per share of \$22 or 110% of the fair market value of the stock at the date of grant, whichever is greater. The options expire five years from date of grant, and generally become initially exercisable two years from date of grant to the extent of 20% annually (on a cumulative basis). At December 31, 1964, options to purchase 62,500 shares at \$22 per share are outstanding and 37,500 shares are available for future grant.

At December 31, 1964, 155,000 shares of common stock of the Company are reserved for warrants, expiring on October 1, 1981, to purchase common stock at a price of \$52 per share; no warrants were exercised in 1964.

### 3. In 1963, special charges, net, of a nonrecurring nature comprise:

|   |                    |
|---|--------------------|
| Inventory re-evaluation and adjustment of purchases (a)   | \$2,200,000        |
| Re-evaluation of the allowance for doubtful accounts (b)  | 475,000            |
| Charge-off of previously contested California franchise taxes (c) .....                                       | 350,000            |
| Termination settlements with former officers .....  | 310,000            |
| Adjustment of prior years' fixture rental charges (d) .....   | 277,000            |
| Losses, net, arising from sales or other dispositions of buildings, equipment and leasehold improvements .... | 250,000            |
| Adjustment of investment credit attributable to Internal Revenue Code revision (e) .....                      | (342,000)          |
|   | <u>\$3,520,000</u> |

(a) In 1963, the Company revised its methods of determining realizable value of its merchandise inventories. As a result of these revisions and a general inventory re-evaluation, certain extraordinary markdowns were recognized which were deemed to be unrelated to the year's operations, and accordingly were excluded from such operations.

Further, during 1963 the Company instituted improved accounting procedures and policies designed to expedite the processing of vendor invoices and to assure the recording of purchases in the appropriate accounting period. As a result, vendor invoices processed in 1963 and determined to be not applicable to such year were excluded from the year's operations.

It was not considered practicable to retroactively allocate to prior years the aggregate adjustment of \$2,200,000 arising from the aforementioned inventory and purchases adjustments.

(b) In 1963, as a result of its actual bad debt experience, the Company retroactively reallocated the provisions for doubtful accounts charged to operations of that year and prior years. Based upon such reallocation, \$475,000 of additions to the reserve for doubtful accounts was deemed to be applicable to operations of prior years, and, accordingly, was eliminated from that year's results of operations.

(c) The Company had previously paid under protest, and deferred, approximately \$350,000 of prior years' California franchise taxes. Court decisions adverse to other California taxpayers caused the Company to withdraw its pending suit against the State of California. Accordingly, the afore-mentioned prior years' payments were charged off in 1963.

(d) In prior years, the Company had entered into certain fixture rental leases which provided for rental payments on an ascending basis over the lives of the respective leases. Rental payments were made and charged to operations pursuant to such lease terms.

Effective January 1, 1963, the Company retroactively adopted the policy of charging the aggregate rental payments to operations on a straight-line basis over the lives of the respective leases. The aggregate retroactive adjustment approximated \$277,000. The effect on 1963 opera-



tions as a result of such change in policy was not deemed to be material.

(e) In 1962, based on federal income taxes paid or deferred, for financial reporting purposes, the Company utilized an investment credit of \$633,000. Accordingly, \$291,000 (46%) was applied in reduction of the provision for federal income taxes in such year, and the balance of \$342,000 (54%) was deferred to future years.

However, the investment credit provisions of the Internal Revenue Code were retroactively liberalized by the Revenue Act of 1964. Depreciation will be allowed on the full cost of all qualified facilities whose acquisition and use since January 1, 1962 gave rise to the investment credit. Consequently, a benefit will ultimately be realized in the full amount of the investment credit utilized as an offset against federal income taxes.

As a consequence of the Internal Revenue Code revision, the balance of the investment credit relating to 1962 which had been previously deferred (\$342,000) was recorded as a special credit in 1963.

4. Rental expense for 1964 on long-term leases expiring from 1968 to 2046, exclusive of applicable realty taxes

and other charges, aggregated approximately \$18,200,000. The aggregate long-term minimum rentals (without consideration of renewals) for the five-year period 1965 through 1969 are approximately \$95,500,000, and for the three succeeding five-year periods are as follows: 1970 through 1974, \$87,700,000; 1975 through 1979, \$80,700,000; and 1980 through 1984, \$62,300,000. Certain of the leases provide for additional rentals based upon sales.

During 1964, the Company sold property and equipment for approximately \$4,400,000 under sale and lease-back agreements. There were no material amounts of gain or loss realized as a result of these transactions.

5. In 1964, net income was benefited by, and special item was attributable to, the use of losses carried forward and application of the investment credit, as follows:

|  | <u>Net Income</u> | <u>Special Item</u> |
|--|-------------------|---------------------|
| Tax effect of losses carried forward .....                     | \$275,000         | \$450,000           |
| Investment credit based on federal income taxes deferred ..... | 293,000           | (112,000)           |
| Increase in net income .....                                   | <u>\$568,000</u>  |                     |
| Special Item .....   |                   | <u>\$338,000</u>    |

## Auditors' Report

*To the Board of Directors and Stockholders,*  
J. J. NEWBERRY CO.:

We have examined the consolidated balance sheet of J. J. NEWBERRY CO. and SUBSIDIARIES as of December 31, 1964 and the related consolidated statement of operations and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the company and its subsidiaries for the year ended December 31, 1963.

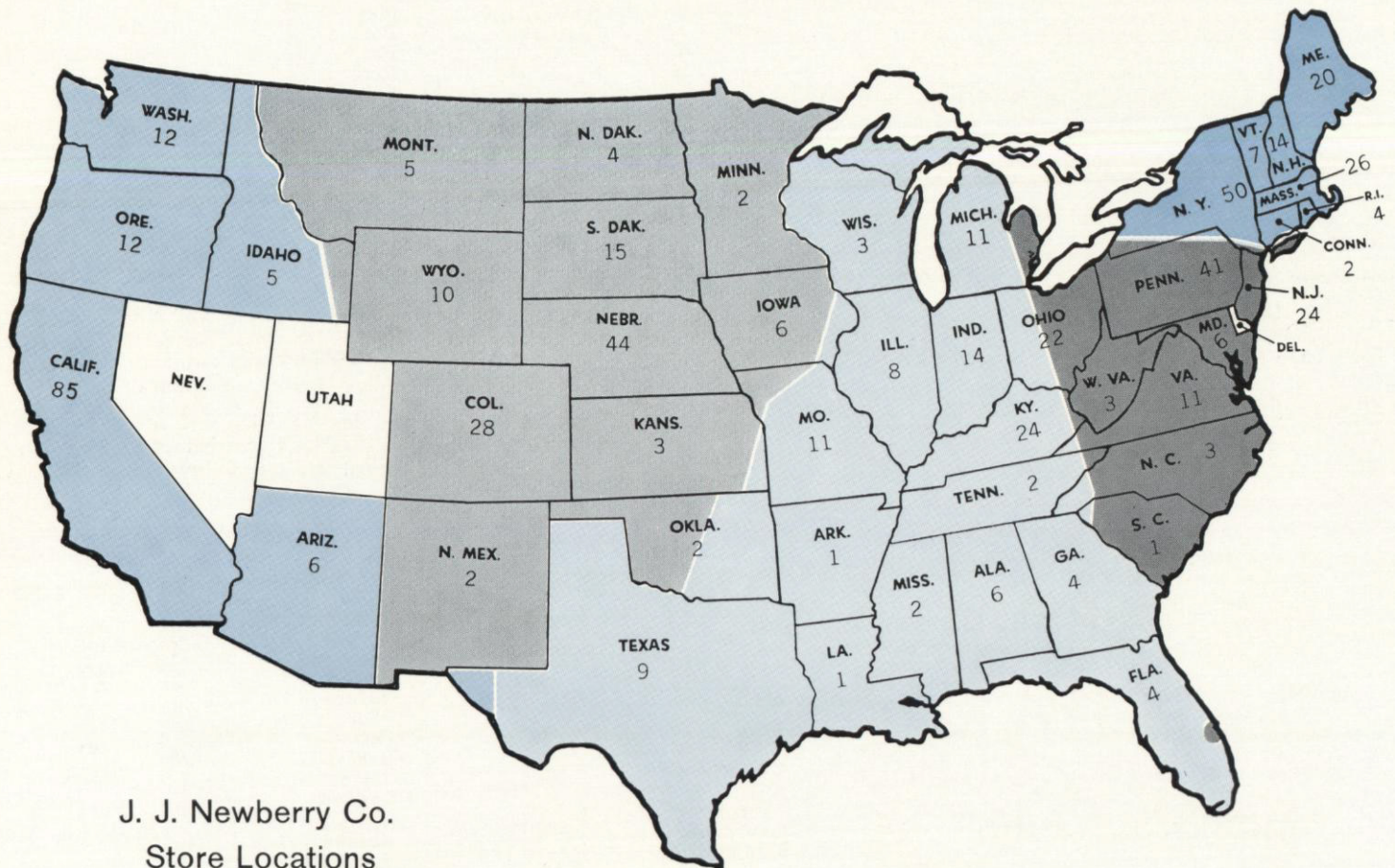
In our opinion, the accompanying financial statements present fairly the consolidated financial position of J. J. Newberry Co. and Subsidiaries at December 31, 1964 and 1963, and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, March 12, 1965.



# Newberrys Serving these 575 Communities



## J. J. Newberry Co. Store Locations

Executive Offices:

245 FIFTH AVE.

NEW YORK, N. Y. 10016

- (B) Operated under name of BRITTS
- (HH) Operated under name of HOLLAND HOUSE
- (T) Operated under name of TAYLORS
- (WT) Operated under name of WM. TALLY HOUSE
- (NW) Operated under name of NEW-WAY
- (\*) Operated under name of HESTEDS
- (†) Operated under name of LEE
- (o) Operated under name of KAUFMANN'S

### Division Offices:

**NORTHEASTERN DIVISION** — 4 Federal St., Woburn, Mass.

**EASTERN DIVISION** — 9 E. 41st St., New York 17, N. Y.

**CENTRAL DIVISION** — 7710 Carondelet, Clayton 5, Mo.

**MIDWESTERN DIVISION** — 885 South 72nd St., Omaha, Neb.

**WEST COAST DIVISION** — 347 So. Ogden Dr., Los Angeles 36, Calif.

### Warehouse Locations:

NEW YORK, N. Y.

OMAHA, NEB.

NO. HOLLYWOOD, CAL.

### Alabama—6

Birmingham  
Birmingham (B)  
Birmingham (T)  
Birmingham (HH)  
Dothan  
Montgomery

### Arizona—6

Douglas  
Mesa  
Phoenix (3)  
Phoenix (B)

### Arkansas—1

Hot Springs

### California—85

Alhambra  
Alhambra (B)  
Bakersfield (2)  
Bell  
Bellflower  
Beverly Hills  
Brawley  
Buena Park  
Burbank (2)  
Compton (HH)  
Compton (3)  
Culver City  
Downey  
El Centro  
Fresno  
Garden Grove  
Glendale  
Glendora  
Granada Hills  
Hanford  
Hollywood  
Huntington Park  
Inglewood  
La Mirada  
Long Beach  
Los Angeles (15)  
Los Angeles (B)  
Los Angeles (HH)  
Merced  
Millbrae  
Monterey Park  
Norwalk  
Oakland  
Ontario  
Palos Verdes  
Pomona  
Porterville  
Redondo Beach (2)  
Reseda  
Salinas  
San Diego (4)  
San Francisco  
San Jose  
San Mateo  
San Pablo

San Pedro  
Santa Ana (2)  
Santa Barbara  
Santa Monica (2)  
Stockton  
Sunland  
Sunnyvale  
Thousand Oaks  
Torrance (2)  
Vallejo  
Van Nuys  
Ventura  
Visalia  
West Covina  
Whittier

### Colorado—28

Alamosa (\*)  
Arvada (\*)  
Aurora (\*)  
Boulder (\*)  
Craig (\*)  
Delta (\*)  
Denver (7) (\*)  
Florence (\*)  
Glenwood Springs (\*)  
Golden (\*)  
Grand Junction (2) (\*)  
Greeley (2) (\*)  
La Junta  
Lakewood (\*)  
Monte Vista (\*)  
Montrose (\*)



# from Coast to Coast...

Pueblo (2)  
Rocky Ford (\*)  
Sterling (\*)

## Connecticut—2

Hartford  
New Haven

## Florida—4

Bradenton (WT)  
Fort Lauderdale (B)  
Pensacola  
Tampa

## Georgia—4

Atlanta  
Columbus  
Macon (2)

## Idaho—5

Boise  
Idaho Falls  
Lewiston  
Pocatello  
Twin Falls

## Illinois—8

Canton  
Collinsville  
Granite City  
Litchfield  
Macomb  
Melrose Park  
Rock Island  
West Frankfort

## Indiana—14

Auburn  
Connersville  
Decatur  
East Chicago  
Gary  
Goshen  
Hammond  
Hartford City  
Indiana Harbor  
Jasper  
Marion  
Martinsville  
New Castle  
Whiting

## Iowa—6

Carroll (†)  
Denison (†)  
Glenwood (†)  
Sibley (†)  
Storm Lake (†)  
Webster City

## Kansas—3

Coffeyville  
Marysville (\*)  
Parsons

## Kentucky—24

Bardstown  
Central City  
Corbin  
Cynthiana  
Danville

Elizabethtown  
Frankfort  
Glasgow (2)  
Harlan  
Harrodsburg  
Hazard  
Henderson  
Lawrenceburg  
Lebanon  
Mayfield  
Mt. Sterling  
Owensboro  
Paris  
Pineville  
Richmond  
Shelbyville  
Somerset  
Winchester

## Louisiana—1

Lake Charles

## Maine—20

Bath  
Brunswick  
Calais  
Caribou  
Dover-Foxcroft  
Eastport  
Ellsworth  
Ellsworth (B)  
Farmington  
Fort Kent  
Houlton  
Lincoln  
Madawaska  
Mars Hill  
Millinocket  
Presque Isle  
Rockland  
Rumford  
Van Buren

## Maryland—6

Annapolis (B)  
Brunswick  
Elkton  
Frederick (NW)  
Hagerstown  
Pocomoke City

## Massachusetts—26

Amesbury  
Boston  
Bridgewater  
Chelsea  
Clinton  
Fall River  
Falmouth  
Framingham  
Franklin  
Gardner  
Haverhill  
Holyoke  
Leominster  
Maynard  
Newburyport  
North Adams  
Northampton  
North Attleboro  
Peabody  
Pittsfield  
Revere (B)  
Stoughton  
Wakefield  
Westfield

Whitman  
Worcester

## Michigan—11

Alma  
Calumet  
Charlotte  
Houghton  
Iron River  
Ishpeming  
Ludington  
Manistee  
Midland  
Port Huron  
Three Rivers

## Minnesota—2

Moorhead  
Pipestone (†)

## Mississippi—2

Biloxi  
Meridian

## Missouri—11

Columbia  
Excelsior Springs  
Joplin  
Kansas City  
Maplewood  
Poplar Bluff  
Richmond Heights  
St. Louis  
St. Louis (B)  
St. Louis (T)  
Springfield

## Montana—5

Billings  
Great Falls (\*)  
Hardin (\*)  
Laurel (\*)  
Missoula

## Nebraska—44

Ainsworth (†)  
Albion (†)  
Alliance (\*)  
Auburn (\*)  
Aurora (\*)  
Beatrice (\*)  
Bellevue (\*)  
Broken Bow (\*)  
Central City (\*)  
Chadron (\*)  
David City (†)  
Fairbury (\*)  
Falls City (\*)  
Geneva (\*)  
Gering (\*)  
Gordon (†)  
Grand Island (\*)  
Grand Island (o)  
Hastings (\*)  
Hebron (\*)  
Holdrege (\*)  
Kimball (\*)  
Lincoln (\*)  
McCook (\*)  
Minden (\*)  
Nebraska City (\*)  
Neligh (\*)  
Norfolk (\*)  
Ogallala (†)

Omaha (6) (\*)  
O'Neill (†)  
Ord (†)  
Ralston (\*)  
Sidney (†)  
Superior (\*)  
Tecumseh (\*)  
Valentine (†)  
West Point (\*)  
York (\*)

## New Hampshire—14

Berlin  
Claremont  
Concord  
Concord (B)  
Dover  
Franklin  
Keene  
Laconia  
Littleton  
Manchester  
Nashua  
Plymouth  
Portsmouth  
Rochester

## New Jersey—24

Asbury Park  
Atlantic City  
Boonton  
Bridgeton  
Brick Town (B)  
Caldwell  
Dover  
East Brunswick  
Freehold  
Freehold (B)  
Hackettstown  
Hammononton  
Keyport  
Long Branch  
Menlo Park (WT)  
Millville  
New Brunswick  
Newton (B)  
Paramus  
Red Bank  
Springfield  
Verona  
Vineland  
Wildwood

## New Mexico—2

Las Vegas  
Raton

## New York—50

Albion  
Batavia  
Bath  
Bayshore (B)  
Binghamton (B)  
Buffalo  
Canandaigua  
Canton  
Catskill  
Cobleskill  
Cooperstown  
Corning  
Cortland  
Elmira  
Endicott  
Gloversville  
Gloversville (B)  
Gouverneur  
Greenpoint, Bklyn.  
Eugene

Hicksville  
Hornell  
Hudson  
Ithaca  
Kingston  
Kingston (B)  
Lockport  
Lyons  
Malone  
Manhasset  
Massena  
Middletown  
Northville  
Ogdensburg  
Oneonta  
Ossining  
Owego  
Penn Yan  
Perry  
Port Jervis  
Salamanca  
Saranac Lake  
Saratoga Springs  
Saugerties  
Ticonderoga  
Tupper Lake  
Valley Stream  
Walton  
Watertown  
Wellsville  
Whitehall

## North Carolina—3

Asheville  
Monroe  
Reidsville

## North Dakota—4

Bismarck (†)  
Hettinger (†)  
Minot  
Rugby (†)

## Ohio—22

Ashland  
Ashtabula  
Bryan  
Bucyrus  
Cambridge  
Chillicothe (B)  
Cincinnati  
Cleveland (2)  
Conneaut  
Coshocton  
East Palestine  
Findlay (B)  
Fremont  
Lancaster (NW)  
Lima  
Mentor  
New Philadelphia  
Painesville  
Tiffin  
Wooster  
Zanesville

## Oklahoma—2

Okmulgee  
Sapulpa

## Oregon—12

Astoria  
Bend  
Eugene

Klamath Falls  
Medford (2)  
Portland (3)  
Portland (HH)  
Roseburg  
Salem

## Pennsylvania—41

Berwick  
Bloomsburg  
Bradford  
Carbondale  
Chambersburg  
Coalport  
Coatesville  
Danville  
Downingtown  
Du Bois  
Ephrata  
Forest City  
Freeland  
Jim Thorpe  
Jersey Shore  
Kennett Square  
Lansford  
Lewisburg  
Lock Haven  
Mahanoy City  
Milton  
Mt. Carmel  
Newport  
Northampton  
Olyphant  
Oxford  
Phoenixville  
Pottstown  
Renovo  
Royersford  
Sayre  
Shamokin  
Shenandoah  
Somerset  
Stroudsburg  
Sunbury  
Tamaqua  
Towanda  
Waynesboro  
Wellsboro  
Williamsport (B)

## Rhode Island—4

Newport  
Providence  
Warren  
West Warwick

## South Carolina—1

Camden

## South Dakota—15

Aberdeen  
Belle Fourche (†)  
Chamberlain (†)  
Hot Springs (†)  
Huron  
Lead  
Mitchell  
Pierre  
Rapid City  
Sioux Falls (2)  
Sturgis (†)  
Vermillion  
Winner (†)  
Yankton

## Tennessee—2

Gallatin  
Jellico

## Texas—9

Austin  
Beaumont  
Denison  
Eagle Pass  
El Paso (2)  
Houston  
Houston (B)  
Texarkana (NW)

## Vermont—7

Barre  
Bellows Falls  
Newport  
Springfield  
Springfield (B)  
White River Junction  
Windsor

## Virginia—11

Clifton Forge  
Culpeper  
Farmville  
Fredericksburg  
Front Royal  
Lexington  
Salem  
South Boston  
Waynesboro  
Winchester  
Wytheville

## Washington—12

Bellevue  
Bellingham  
Everett  
Longview  
Longview (B)  
Renton  
Richland  
Seattle  
Spokane (2)  
Walla Walla  
Yakima

## West Virginia—3

Charleston  
Charles Town  
Martinsburg

## Wisconsin—3

Fond Du Lac  
Oshkosh  
Superior

## Wyoming—10

Buffalo (\*)  
Cheyenne  
Douglas (\*)  
Gillette (\*)  
Laramie (\*)  
Newcastle (\*)  
Rawlins (\*)  
Rock Springs  
Torrington (\*)  
Wheatland (\*)



# 10 Year Summary Highlights Record

Dollar Amounts (Except Per Share Earnings and Book Values) Shown in Thousands.

|  | 1964       | 1963       | 1962       | 1961       | 1960       | 1959       | 1958       | 1957       | 1956       | 1955       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Number of stores . . . . .                               | 575        | 574        | 567        | 564        | 559        | 462        | 469        | 476        | 476        | 476        |
| Sales . . . . .  | \$ 333,734 | \$ 319,344 | \$ 312,511 | \$ 291,237 | \$ 265,818 | \$ 238,008 | \$ 221,873 | \$ 212,943 | \$ 203,463 | \$ 190,690 |
| Earnings before federal taxes . . . . .                  | \$ 2,894   | \$ 3,856*  | \$ 3,639   | \$ 6,567   | \$ 9,390   | \$ 11,242  | \$ 10,807  | \$ 8,990   | \$ 10,884  | \$ 11,755  |
| Net earnings after federal taxes . . . . .               | \$ 2,015   | \$ 2,556*  | \$ 1,929   | \$ 3,486   | \$ 4,779   | \$ 5,590   | \$ 5,248   | \$ 4,364   | \$ 5,240   | \$ 5,845   |
| Special items . . . . .                                  | \$ 338     | \$ 2,220*  | \$ 455     | \$ 1,206   | —          | —          | —          | —          | —          | —          |
| Net earnings and special items . . . . .                 | \$ 2,353   | \$ 4,776*  | \$ 2,384   | \$ 4,692   | \$ 4,779   | \$ 5,590   | \$ 5,248   | \$ 4,364   | \$ 5,240   | \$ 5,845   |
| Per share (after preferred dividends)                    |            |            |            |            |            |            |            |            |            |            |
| Net earnings . . . . .                                   | \$ 0.87    | \$ 1.58*   | \$ 0.84    | \$ 1.70    | \$ 2.42    | \$ 3.32    | \$ 3.12    | \$ 2.58    | \$ 3.18    | \$ 3.59    |
| Special items . . . . .                                  | \$ 0.18    | \$ 1.19*   | \$ 0.25    | \$ 0.66    | —          | —          | —          | —          | —          | —          |
| Net earnings and special items . . . . .                 | \$ 1.05    | \$ 2.77*   | \$ 1.09    | \$ 2.36    | \$ 2.42    | \$ 3.32    | \$ 3.12    | \$ 2.58    | \$ 3.18    | \$ 3.59    |
| Shares of common stock outstanding . . . . .             | 1,874,583  | 1,860,017  | 1,843,915  | 1,831,620  | 1,816,719  | 1,570,405  | 1,560,396  | 1,547,231  | 1,530,443  | 1,521,784  |
| Merchandise inventories . . . . .                        | \$ 68,310  | \$ 74,480  | \$ 84,772  | \$ 74,978  | \$ 60,481  | \$ 50,286  | \$ 46,554  | \$ 42,509  | \$ 39,070  | \$ 39,782  |
| Common stockholders' equity . . . . .                    | \$ 64,753  | \$ 62,511  | \$ 67,665  | \$ 68,885  | \$ 67,729  | \$ 60,908  | \$ 58,519  | \$ 56,418  | \$ 55,042  | \$ 52,975  |
| Book value per share of common stock . . . . .           | \$34.54    | \$33.61    | \$36.70    | \$37.61    | \$37.28    | \$38.79    | \$37.50    | \$36.46    | \$35.96    | \$34.81    |
| Ratio of current assets to current liabilities . . . . . | 4.2        | 2.7        | 2.9        | 3.5        | 3.3        | 3.1        | 2.9        | 3.3        | 3.3        | 2.9        |

\* Indicates loss.





